GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2885
ANSWERED ON:17.12.2004
LOAN TO EARTHQUAKE AFFECTED INDUSTRIES IN GUJARAT
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Will the Minister of FINANCE be pleased to state:

(a) whether it is a feet that there is a huge gap of some 60 crores between the loans sanctioned and those actually disbursed by the nationalised banks to the earthquake affected industrial and trading units and persons of Gujarat;

(b) if so, the reasons therefor;

(c) the steps taken to narrow this gap to speed up the pace of rehabilitation work; and

(d) the outcomes of the action taken?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRIS.S.PALANIMANICKAM)

(a) & (b): According to the information furnished by Dena Bank, the Convenor Bank for State Level Bankers` Committee (SLBC) for State of Gujarat, the total financial assistance sanctioned to industrial/trading units/persons affected by earthquake in the State of Gujarat was Rs.310.20 crore in respect of 48957 cases against which the amount disbursed was Rs.293.54 crore in respect of 48524 cases. There is, thus, a gap of Rs.16.66 crore between loans sanctioned and disbursed by the banks to earthquake affected industrial and trading units and persons of Gujarat. The gap has gradually reduced from a sum of Rs.45.30 crore as on March, 2003 to Rs.16.66 crore as on June, 2004. The reasons for the gap of sanctions and disbursements are as under:

(i) Out of the total gap, Rs.4.09 crore is mainly in housing sector where the disbursements take place as per progress of work carried out;

(ii) A gap of Rs.7.50 crore is reportedly in respect of SSI sector because the disbursements are to be made in phases alongwith release of subsidy;

(iii) In some cases no further disbursements is asked for by the borrower.

(c) & (d): The Convenor Bank has held several monitoring committee and two SLBC meetings in Gujarat to review the performance of banks in extending relief measures to earthquake affected persons/business. State Government Officials and Lead District Managers of Banks have been advised to bridge ithe gap between sanctioned and disbursed loan cases. Further, the progress is also being reviewed in District Level Coordination Committee meetings. Due to the action taken by the Convenor Bank, the gap has decreased considerably, which is 5.38% of the sanctioned amount and 0.89% of the cases sanctioned.